

B. DETAILED EXPLANATION

Section 1 Amending Public Law 75, 81st Congress

Proposed Legislation:

Sec. 1 (a). Sec. 1 of the Act of May 26, 1949 (63 Stat. 111; 5 U. S. C. 151 (a)), is hereby amended to read as follows:

"There shall be in the Department of State in addition to the Secretary of State an Under Secretary of State, three Deputy Under Secretaries of State, and ten Assistant Secretaries of State."

(b) Section 2 of said Act is hereby amended to read as follows:

"The Secretary of State and the officers referred to in section 1 of this Act, as amended, shall be appointed by the President, by and with the advice and consent of the Senate. The Counselor of the Department of State and the Legal Adviser, who are required to be appointed by the President, by and with the advice and consent of the Senate, shall rank equally with and shall receive the same salary as an Assistant Secretary of State. Any such officer holding office at the time the provisions of this Act, as amended, become effective shall not be required to be reappointed by reason of the enactment of this Act, as amended."

(c) "The President may initially fill two of the Deputy Under Secretary positions established in this Act by appointing, without further advice and consent of the Senate, the two Deputy Under

Secretaries

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Secretaries of State who, on the date of the enactment of this Act, held that designation pursuant to authority contained in section 2 of the Act of May 26, 1949 (63 Stat. 111)."

Explanation:

On June 17, 1955, the Senate passed S. 2237. The purpose of this Bill is to increase the number of top-level statutory positions in the Department of State by three officers at the level of Deputy Under Secretary of State and to authorize an increase in the salaries of the top-level officers, exclusive of the Secretary of State, namely, the Under Secretary of State, three Deputy Under Secretaries of State, ten Assistant Secretaries of State, the Counselor and the Legal Advisor. In reporting out S. 2237, the Committee on Foreign Relations expressed the view that as a consequence of the increased responsibilities of the United States in world affairs, "steps should be taken to give the Department three additional top-level positions, namely, three positions of Deputy Under Secretary of State, but with no change in the number of Assistant Secretary of State posts."

S. 2237 also provides for the following adjustments in the salaries of top-level officers of the Department: The Under Secretary of State from \$17,500 to \$21,000; the three Deputy Under Secretaries from \$15,000 to \$20,500; the ten Assistant Secretaries from \$15,000 to \$20,000; and, the Counselor and Legal Advisor from \$15,000 and \$14,800, respectively, to \$20,000.

The proposed legislation retains the provisions of S. 2237, but excludes that part prescribing adjustments in salaries other

than

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than to affirm the principle that the Counselor and the Legal Adviser of the Department of State shall rank equally with and receive the same compensation as an Assistant Secretary of State. The Executive Pay Bill sets new specific rates of compensation for all of the officers referred to in S. 2237.

The proposed legislation will permit the Department to substantially strengthen and improve the organization of its top structure.

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SECTION 2 - ESTABLISHING THE POSITION OF
DEPUTY DIRECTOR OF THE INTERNATIONAL
COOPERATION ADMINISTRATION

Proposed Legislation:

Sec. 2. There shall be in the International Cooperation Administration a Deputy Director who shall be appointed by the President by and with the advice and consent of the Senate. The Deputy Director shall perform such functions as the Director of the International Cooperation Administration shall from time to time designate, and shall act as Director during the absence or disability of the Director of the International Cooperation Administration or in the event of a vacancy of the office of said Director. The Deputy Director shall receive the same compensation as a Deputy Under Secretary of State.

Explanation:

Reorganization Plan No. 7, of 1953, provided for a position of Deputy Director of the Foreign Operations Administration to be filled by appointment by the President, by and with the advice and consent of the Senate. Under Executive Order 10,610 of May 9, 1955, the Deputy Director title was changed to "Director of the International Cooperation Administration". As a consequence there is at present no statutory provision made for a position of Deputy Director of the International Cooperation Administration. Such a position is necessary in view of the scope and importance of the functions undertaken by the ICA.

The proposed legislation establishes the Deputy Director position and fixes its compensation at the same rate as a Deputy Under

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Secretary of State. Under the Executive Pay Bill this rate would be fixed at \$23,500 per annum and the Director's salary would carry a rate of \$25,000 per annum.

TIME IV--CATEGORIES AND SALARIES OF PERSONNEL

PART B--SALARIES

Foreign Service Officers

Section 3 amending section 412

Existing Legislation

SEC. 412. There shall be seven classes of Foreign Service officers, including the class of career minister.

The per annum salary of a career minister shall be \$14,800. The per annum salaries of Foreign Service officers within each of the other classes shall be as follows:

Class 1, \$13,760, \$14,190, \$14,620, \$14,800, \$14,800;
Class 2, \$11,965, \$11,990, \$12,365, \$12,740, \$13,115, \$13,495, \$13,655;
Class 3, \$9,815, \$10,140, \$10,460, \$10,785, \$11,105, \$11,430, \$11,750, \$11,860;
Class 4, \$7,490, \$7,810, \$8,135, \$8,455, \$8,780, \$9,100, \$9,425, \$9,530;
Class 5, \$5,715, \$5,930, \$6,145, \$6,360, \$6,575, \$6,790, \$7,005, \$7,220;
Class 6, \$4,295, \$4,610, \$4,725, \$4,940, \$5,155, \$5,370, \$5,475;

Proposed Legislation

SEC. 412. There shall be ten classes of Foreign Service officers, including the classes of career ambassador and of career minister.

The per annum salary of a career ambassador shall be \$22,500. The per annum salaries for Foreign Service officers within each of the other classes shall be as follows:

Career Minister, \$18,000, \$18,500, \$19,000, \$19,500, \$20,000;
Class 1, \$15,800, \$16,200, \$16,600, \$17,000, \$17,400, \$17,800;
Class 2, \$13,000, \$13,400, \$13,800, \$14,200, \$14,600, \$15,000, \$15,400;
Class 3, \$11,000, \$11,300, \$11,600, \$11,900, \$12,200, \$12,500, \$12,800;
Class 4, \$9,300, \$9,550, \$9,800, \$10,050, \$10,300, \$10,550, \$10,800;
Class 5, \$7,600, \$7,850, \$8,100, \$8,350, \$8,600, \$8,850, \$9,100;

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Class 6, \$6,200, \$6,400, \$6,600, \$6,800,
\$7,000, \$7,200, \$7,400;
Class 7, \$5,200, \$5,350, \$5,500, \$5,650,
\$5,800, \$5,950, \$6,100;
Class 8, \$4,200, \$4,350, \$4,500, \$4,650,
\$4,800, \$4,950, \$5,100.

At present there are seven classes of Foreign Service officers, the top class being that of career ministers.

Taking into account the importance of the position of the United States in foreign affairs, there is need for a career title above the rank of career minister. The creation of the class of career ambassador, limited to a small number of senior officers who have served as principal representatives of the United States in an exceptionally distinguished manner, will fill this need. The prestige that would result from the establishment of this class will make the Foreign Service more attractive to those who enter its ranks. It is, therefore, proposed that a new class of career ambassador be established.

The salary of a career ambassador has been fixed at \$22,500 which is the same rate as that provided for chiefs of mission of class 4 and for Assistant Secretaries of State in the Executive Pay Bill. Ordinarily a career ambassador will serve in a position the salary for which will match or exceed his salary as a career ambassador. Consequently, the proposed rate of \$22,500 is primarily for the purpose of establishing for this class of Foreign Service officers permanent rank and prestige comparable to that of assistant secretaries, class 4 chiefs of mission, and other high level officers in the Government.

The proposed salary range of \$18,000 to \$20,000 for career ministers maintains the current relationship to the GS-18 rate for employees under the Classification Act and is identical to the salary adjustments provided for in the Executive Pay Bill.

In addition to the establishment of the new class of career ambassador and corollary salary adjustments for the career minister class, it is proposed to increase the remaining number of classes of Foreign Service officers (and Foreign Service Reserve officers) from the present six classes to eight classes.

Experience has demonstrated that such an increase in the number of classes will: (1) provide a more orderly and positive promotion program, (2) accord officers earlier and more appropriate recognition to the assumption of increased responsibilities, (3) facilitate and provide greater equity in the lateral appointment of persons from elsewhere in the Government, including Departmental and Foreign Service Staff officers, as Foreign Service officers above the bottom class, and (4) provide a more realistic basis for classifying positions in the Service, including those positions in the United States that are to be ultimately filled by Foreign Service officers under the current integration program.

The upward adjustment in executive salaries, including salaries for chiefs of mission and classes FSO-1, FSO-2, and FSO-3, affords an opportunity that has not

existed

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existed heretofore to revise the Foreign Service officer class and salary structure with the least possible administrative difficulty and effect on morale. The revised class and salary structure will, in particular, not only facilitate completion of the integration program, but will be better suited to the enlarged character of the Foreign Service officer corps after integration.

To retain the present six-class structure at a time when the salary rates for classes 1, 2, and 3 and for career ministers are being increased under the Executive Pay measure, only serves to further complicate present administrative difficulties and to increase the need for an improved and more manageable pay structure for Foreign Service officers.

The proposed salary rates below the class of career minister are identical to those provided for in the Executive Pay Bill with respect to classes 1, 2, and 3. With respect to the remaining classes below class 3 the following relationships to Civil Service salaries would exist:

1. New class 4, with a salary range of \$9,300 - \$10,800 encompasses part of grade GS-14 and most of grade GS-13.
2. Class 5 (\$7,600 - \$9,100) substantially reflects present class 4 (\$7,490 - \$9,530) and encompasses part of grade GS-13 as well as grade GS-12.
3. Class 6 (\$6,200 - \$7,400) is roughly comparable to grade GS-11 (\$6,390 - \$7,465) and grade GS-10 (\$5,915 - \$6,725).
4. Class 7 (\$5,200 - \$6,100) is roughly equivalent to grades GS-9 (\$5,440 - \$6,250) and GS-8 (\$4,970 - \$5,780).
5. Class 8 (\$4,200 - \$5,100) compares favorably with present class 6 (\$4,295 - \$5,475) and with grades GS-7 (\$4,525 - \$5,335) and GS-6 (\$4,080 - \$4,890).

A comparative table showing the several relationships between present, Executive Pay Bill, and proposed salaries is included at the end of this section.

Conversion of present officers to new classes and rates can be effected without "splitting" any given class, thus avoiding serious administrative and morale problems that were posed by a related proposal presented by the Department to the Congress in 1951 (H.R. 5723), following approval by the Bureau of the Budget. Conversion would be made on the following basis:

<u>From</u>	<u>To</u>
Class 1	Class 1
Class 2	Class 2
Class 3	Class 3
Class 4	Class 5
Class 5	Class 6
Class 6	Class 7

New class 4 would be left vacant at time of conversion and would provide future promotional opportunities without unduly increasing the number of officers in the top classes, and its establishment should provide additional incentive for officers

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now in the lower classes. Officers in class 6 would be converted to new class 7 but would continue in a probationary status until promoted to new class 8 or separated from the Service. Those entering the PSO corps after the effective date of the change in class structure would enter at class 8. No officer would sustain a salary loss as a consequence of the new schedule and under the conversion any officer whose rate exceeds the maximum rate for the class to which he is transferred would retain that rate so long as he continues in the class. Details concerning conversion and costs of same are given in Attachment C.

TITLE V--APPOINTMENTS AND ASSIGNMENTS

PART A -- PRINCIPAL DIPLOMATIC REPRESENTATIVES

Appointments

Section 4 amending Section 501

Existing Legislation

SEC. 501. (a) The President shall,

by and with the advice and consent of the Senate, appoint ambassadors and ministers, including career ministers.

Proposed Legislation

SEC. 501.(a) The President shall,

by and with the advice and consent of the Senate, appoint ambassadors and ministers, including career ambassadors and career ministers.

The change in section 501 of the present law is merely a technical one to include reference to the fact that career ambassadors (as well as career ministers) shall be appointed by the President, by and with the advice and consent of the Senate.

Section 5 amending Section 502

LISTS OF FOREIGN SERVICE OFFICERS
QUALIFIED TO BE CAREER MINISTERS OR
CHIEFS OF MISSION TO BE FURNISHED
TO THE PRESIDENT

SEC. 502. (a) The Secretary shall, on the basis of recommendations made by the Board of the Foreign Service, from time to time furnish the President with the names of Foreign Service officers qualified for appointment to the class of career minister together with pertinent information about such officers but no person shall be appointed into the class of career minister who has not been appointed

LISTS OF FOREIGN SERVICE OFFICERS
QUALIFIED TO BE CAREER AMBASSADORS,
CAREER MINISTERS OR CHIEFS OF MISSION
TO BE FURNISHED TO THE PRESIDENT

SEC. 502. (a) The Secretary shall, on the basis of the recommendations made by the Board of the Foreign Service, from time to time furnish the President with the names of Foreign Service officers qualified for appointment to the class of career ambassador and class of career minister together with pertinent information about such officers. No person shall be appointed into the

Existing Legislation

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Proposed Legislation

class of career minister who has not
been appointed to serve as a chief of
mission or appointed or assigned to serve
in a position which, in the opinion of
the Secretary, is of comparable
importance. A list of such positions
shall from time to time be published
by the Secretary. No person shall
be appointed into the class of career
ambassador who has not (1) served for
at least fifteen years in a position
of responsibility in a Government agency,
or agencies, including at least three
years as a career minister; (2) rendered
exceptionally distinguished service to
the Government; and (3) met such other
requirements as the Secretary shall
prescribe.

Section 502 as revised establishes basic criteria for the appointment of career ambassadors. It is intended that the class of career ambassador be strictly limited to a small group of distinguished officers, probably not more than ten. While the proposed legislation does not specify how many persons may occupy the class, it does require that a person so appointed must have rendered exceptionally distinguished service and must have served for at least fifteen years in the Government, three years of which he must have served as a career minister. While it is expected that most officers will have completed even substantially longer periods of service, it seems desirable to prescribe only a reasonable minimum requirement in law. Similarly, while most officers so appointed will have served for extensive periods as a Foreign Service officer, it seems desirable to enable outstanding persons who enter the Service from the Department of State or other agencies to qualify for consideration for appointment to the new class without necessarily having served for fifteen years or more as a Foreign Service officer.

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Under the present law, promotion of Foreign Service officers by appointment to the class of career ambassador would be governed by the general provisions relating to promotion of Foreign Service officers, including the principle that promotions be made on the basis of merit and pursuant to Selection Board recommendations.

The proposed legislation authorizes the Secretary to establish addition^{al} requirements governing appointment of career ambassadors. It is expected that regulations prescribed by him will provide for minimum age, type of service, and may set a numerical limitation upon the size of the class.

Section 6 amending Section 518

Existing Legislation

ADMISSION TO THE CLASS OF CAREER
MINISTER

SEC. 518. No person shall be
eligible for appointment to the class
of career minister who is not a
Foreign Service officer.

Section 518 is revised to include reference to the fact that to be eligible for appointment as a career ambassador (as well as a career minister) a person must be a Foreign Service officer.

Proposed Legislation

ADMISSION TO THE CLASSES OF CAREER
AMBASSADORS AND CAREER MINISTER

SEC. 518. No person shall be
eligible for appointment to the class
of career ambassador or career minister
who is not a Foreign Service officer.

TITLE VI - PERSONNEL ADMINISTRATION

PART 2 - SEPARATION OF FOREIGN SERVICE OFFICERS FROM THE SERVICE

Section 7 amending Section 631

Existing Legislation

FOREIGN SERVICE OFFICERS WHO ARE
CAREER MINISTERS

SEC. 631. Any Foreign Service officer who is a career minister, other than one occupying a position as chief of mission, shall, upon reaching the age of sixty-five, be retired from the Service and receive retirement benefits in accordance with the provisions of section 821, but whenever the Secretary shall determine an emergency to exist, he may, in the public interest, extend such an officer's service for a period not to exceed five years.

The present law provides that a career minister (other than one occupying a position as chief of mission) shall be retired upon reaching the age of 65. In view of the establishment of the class of career ambassador, it is necessary to stipulate as well that a career ambassador shall be retired at age 65 (unless, of course, he occupies a position as chief of mission). This is purely a technical revision of the present law.

Section 8 amending Section 632

FOREIGN SERVICE OFFICERS WHO ARE
NOT CAREER MINISTERS

SEC. 632. Any Foreign Service officer who is not a career minister shall, upon reaching the age of sixty, be retired from the

Proposed Legislation

FOREIGN SERVICE OFFICERS WHO ARE CAREER
AMBASSADORS OR CAREER MINISTERS

SEC. 631. Any Foreign Service officer who is a career ambassador or a career minister, other than one occupying a position as chief of mission, shall, upon reaching the age of sixty-five, be retired from the Service and receive retirement benefits in accordance with the provisions of section 821, but whenever the Secretary shall determine an emergency to exist, he may, in the public interest, extend such an officer's service for a period not to exceed five years.

FOREIGN SERVICE OFFICERS WHO ARE NOT
CAREER AMBASSADORS OR CAREER MINISTERS

SEC. 632. Any Foreign Service officer who is not a career ambassador or a career minister shall, upon reaching

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Existing Legislation

Service and receive retirement benefits in accordance with the provisions of section 821 but when the Secretary shall determine an emergency to exist, he may, in the public interest, extend such an officer's service for a period not to exceed five years.

Proposed Legislation

the age of sixty, be retired from the Service and receive retirement benefits in accordance with the provisions of section 821 but when the Secretary shall determine an emergency to exist, he may, in the public interest, extend such an officer's service for a period not to exceed five years.

Existing law provides that a Foreign Service officer who is not a career minister shall be retired upon attaining age 60. It is, therefore, necessary to include reference in this connection to a career ambassador as well as to a career minister.

TITLE VIII--THE FOREIGN SERVICE RETIREMENT
AND DISABILITY SYSTEM

PART B--COMPULSORY CONTRIBUTIONS

Section 8 amending Section 811

Existing Legislation

SEC. 811. (a) Five per centum of the basic salary of all participants shall be contributed to the Fund, and the Secretary of the Treasury is directed to cause such deductions to be made and the sums transferred on the books of the Treasury Department to the credit of the Fund for the payment of annuities, cash benefits, refunds, and allowances.

(b) All basic salaries in excess of \$13,500 per annum shall be treated as \$13,500 for the purposes of this title.

The present law provides that all basic salaries of participants in the Foreign Service Retirement and Disability System in excess of \$13,500 per annum shall be treated as \$13,500 for retirement purposes. As a consequence, in computing an officer's contributions to the retirement fund and his annuity upon retirement, the computation is limited to not more than \$13,500, even though an officer actually receives a higher salary. The \$13,500 rate represents the maximum rate established for Foreign Service officers in 1946. The \$13,500 limitation still applies even though the maximum salary of Foreign Service officers has been adjusted upward in subsequent legislation.

The proposed increase in salaries of Foreign Service officers, without a change in the present limitation of \$13,500, would create an even more serious inequity than presently exists. The proposed revision would permit retirement computations to be based on basic salary actually received without imposing a salary ceiling by deleting present subsection 811 (b) and by clarifying what is meant by the term "basic salary". This change merely parallels present practice under the Civil Service Retirement System. Thus, were a Foreign Service officer appointed as a chief of mission or as an Assistant Secretary of State, his contributions to the Foreign Service Retirement System would be based on actual salary received by him.

Proposed Legislation

SEC. 811. Five per centum of the basic salary received by each participant shall be contributed to the Fund, and the Secretary of the Treasury is directed to cause such deductions to be made and the sums transferred on the books of the Treasury Department to the credit of the Fund for the payment of annuities, cash benefits, refunds, and allowances.

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It is intended that officers who have not yet been retired would be enabled to receive credit for basic salary previously earned in excess of \$13,500 by making contributions as necessary to the Retirement Fund.

PART 2--COMPUTATION OF ANNUITIES

Section 12 amending Section 821

Existing Legislation

SEC. 821. (a) The annuity of a participant shall be equal to 2 per centum of his average basic salary not exceeding \$13,500 per annum for the five years next preceding the date of his retirement multiplied by the number of years of service, not exceeding thirty years. In determining the aggregate period of service upon which the annuity is to be based, the fractional part of a month, if any, shall not be counted.

Proposed Legislation

SEC. 821. (a) The annuity of a participant shall be equal to 2 per centum of his average basic salary for the highest five consecutive years of service, for which full contributions have been made to the Fund, multiplied by the number of years of creditable service, not exceeding thirty years. In determining the aggregate period of service upon which the annuity is to be based, the fractional part of a month, if any, shall not be counted.

As indicated in the discussion of section 811, under the present law, in computing annuities payable Foreign Service officers upon their retirement, any salary received in excess of \$13,500 is treated as \$13,500. For the same reasons outlined in the explanation of section 811, the proposed revision of section 821 eliminates this restrictive and inequitable feature of the present law which is accentuated by the contemplated executive pay adjustments.

The present law also stipulates that the average basic salary for the five years preceding the date of an officer's retirement shall be used in computing his annuity. The proposed revision would permit the officer's annuity to be based on the highest five consecutive years of creditable service. Thus, an officer who serves as a chief of mission during his period of service, but not during his last five years of service,

would

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would be enabled to count his chief of mission service at the higher salary figure. In effect, this provision merely parallels present practice under the Civil Service Retirement System which gives the employee the option of selecting any five consecutive years of creditable service for purposes of computing his retirement annuity.

As in the case of the proposed amendment of section 811, it is intended that officers who have not yet retired will be able to use their highest five consecutive years of service (in terms of basic salary earnings) in the computation of their retirement annuities.

/Section 11/

TRANSITIONAL PROVISIONS

Proposed Legislation

SEC. 11 (a) Foreign Service officers
and Foreign Service Reserve officers on
active service on the effective date of
this Act shall, by virtue of this Act,
be transferred from the classes in which
they are serving on such date to the new
classes established by this Act as
follows: officers of the class of career
minister to the new class of career
minister; officers of class 1 to the new
class 1; officers of class 2 to the new
class 2; officers of class 3 to the new
class 3; officers of class 4 to the new
class 5; officers of class 5 to the new
class 6; officers of class 6 to the new
class 7.

(b) Under such regulations as the
Secretary may prescribe, each officer so

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Proposed Legislation

transferred shall receive salary at that
one of the salary rates in the new class
prescribed by section 412, as amended,
which the Secretary shall consider it
appropriate for such officer to receive,
but which is not less than the salary
rate which he was receiving in the old
class immediately prior to such transfer.

(c) Whenever the salary rate which
an officer is receiving immediately prior
to the effective date of this Act exceeds
the maximum salary rate provided for the
new class to which he is transferred, such
officer shall continue to receive that
salary rate as long as he remains in the
new class. If any such officer is subse-
quently promoted, he shall receive salary
in the higher class at the lowest rate
which exceeds the rate which he was re-
ceiving immediately prior to promotion.

The foregoing sub-sections describe the mechanics of converting from the present system of classes to the proposed system. No reference is made to the class of career

ambassador,

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ambassador, since that class will have no incumbents on the effective date of this Act. In the case of officers in the remaining classes, it is intended to place each such officer at the salary rate in his new class which is equal to or least exceeds the salary rate which he received immediately prior to his transfer. This will result in substantial savings in comparison with an alternate method of conversion which would place an officer at that salary step in his new class which corresponds to the step he held in the old class -- e.g., an officer in the minimum, second, third, fourth, or fifth step rate of class 1 would be placed, in each case, in the minimum, second, third, fourth, or fifth step rate of new class 1. However, under the intended system of conversion, officers in each of these steps would be placed at the minimum rate for class 1.

In order to provide an orderly progression of salary rates within a class and from class to class in the proposed 10-class structure, it was necessary to set a maximum for the new class 5 lower than that of the old class 4 to which this class corresponds. This means that officers in the highest two steps of the old class 4 will be transferred to a new class, the maximum salary of which is below that which they now receive. It would be manifestly unfair to require these officers to accept a reduction in pay. On the other hand, it would be unfair to their colleagues in the class to transfer them to a higher class since, except for seniority in that particular class, their being at a higher salary step cannot, in itself be considered a justification for promotion. Consequently, it is proposed that officers in these salary steps continue to receive the salaries they now receive until they are promoted to a higher class or leave the Service. If such an officer is subsequently promoted to new class 4, the proposed legislation would permit him to receive an appropriate rate of salary above the minimum rate for new class 4.

Details on the intended plan of conversion showing relative costs are set forth in Attachment C.

Proposed Legislation

(d) Officers heretofore eligible for
in-class promotions who are transferred
in accordance with the provisions of this
section shall receive credit for time
served in class from which transferred
toward such in-class promotions in accord-
ance with such regulations as the Secretary
may prescribe.

Section 625 provides that an officer who has been in a given class for a continuous period of nine months or more shall, on the first day of each fiscal year, receive an increase in salary to the next higher rate for the class in which he is serving. To avoid any ambiguity, the 2001/08/24 : CIA-RDP59-00224A000100680028-1 served in the corresponding rate in the old class from which he has been transferred shall count toward the

required

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required period of service toward an in-class promotion to the next higher rate (if any) in the new class. For example, the officer who was transferred from step 4 in the old class 2 to step 3 in the new class 2 after having served for a continuous period of seven months in the previous class, shall be considered to have served for a continuous period of seven months in the third step of class 2 on the effective date of the transfer.

Proposed Legislation

(e) In order to make the provisions of certain sections of the Foreign Service Act of 1946, as amended, consistent with the new organization of classes, the following references contained in the sections of that Act hereinafter enumerated shall be amended as follows:

(1) Section 414: The reference to "six classes" shall be amended to read "eight classes" and the reference to "classes 1 to 6" shall be amended to read "classes 1 to 8";

(2) Section 516: The reference to "class 6" shall be amended to read "class 8";

(3) Section 517: The references to "class 6" shall be amended to read "class 8", and the references to "class^{es}/1 to 5" shall be amended to read "classes 1 to 7";

(4) Section

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Proposed Legislation

(4) Section 634 (b): The reference to "classes 4 or 5" shall be amended to read "classes 4, 5, 6 or 7"; the reference to "class 4" shall be amended to read "classes 5 and 6"; and the reference to "class 5" shall be amended to read "classes 6 and 7";

(5) Section 635: The reference to "class 6" shall be amended to read "class 8".

The items contained in sub-section (e) are perfecting changes to make the references to the different classes now contained in the Foreign Service Act of 1946, as amended, apply to the classes to which the old classes are equated.

Proposed Legislation

(f) Any Foreign Service officer in the former class 6 who, under the terms of this Act, is transferred to the new class 7 shall continue to occupy probationary status during the period of his service in such new class. The Secretary may terminate his service at any time. The provisions of section 634 (b)(1) of such Act shall not apply to any officer transferred to the new class 7 under sub-section (a) of this section.

It should

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It should be noted that the mechanics of conversion provide that officers in old class 6 are transferred, for salary purposes, to the new class 7. Language is included to assure that officers who are in class 7 by virtue of transfer rather than promotion on the basis of a Selection Board recommendation, shall continue to occupy probationary status. Consequently, it was considered advisable to add the excluding clause also contained in this sub-section to assure that such officers, whose services may be terminated while they are still in a probationary status, shall not be eligible to receive the gratuity benefits of officers who are selected-out of the Service.

Proposed Legislation

SEC. 12. Notwithstanding the provisions of this Act, existing rules and regulations of or applicable to the Foreign Service of the United States shall remain in effect until revoked or rescinded or until modified or superseded by regulations made in accordance with the provisions of this Act, unless clearly inconsistent with the provisions of this Act.

This section is included as a general savings clause during the period of transition from the present to new provisions of law.

Proposed Legislation

SEC. 13. (a) Except as provided in sub-section (b) of this section, this Act shall take effect as of the first day of the first pay period which begins on or after the date of enactment of this Act.

(b) This section and sections 1, 2 and 12 shall take effect on the date of enactment of this Act.

This section provides for a convenient effective date for those sections dealing with pay and related matters. Sections 1, 2, and 12 would become effective upon enactment of the Act.

Comparison of Foreign Service and Civil Service Salaries

Present F. S. Range		Executive Pay Bill		Foreign Service 10 Class Bill		G S R a t e s	
Class	Salary	Class	Salary	Class	Class	Present	Prepared Exec. Pay Bill
** CA \$22,500							
* CM	\$14,800	CM	\$18,000--20,000	CM	18,000--20,000	19	----- \$18,000--20,000
1	13,760--14,800	1	15,800--17,800	1	15,800--17,800	18	\$14,800 16,000--18,000
2	11,965--13,655	2	13,000--15,400	2	13,000--15,400	17	13,975--14,620 13,975--14,635
3	9,815--11,860	3	11,000--12,800	3	11,000--12,800	16	12,900--13,760
						15	11,610--12,690
						14	10,320--11,395
				4	9,300--10,800	13	8,990--10,065
4	7,490--9,530			5	7,600--9,100	12	7,570--8,645
						11	6,390--7,465
5	5,715--7,220			6	6,200--7,400	10	5,915--6,275
						9	5,440--6,250
				7	5,200--6,100	8	4,970--5,780
6	4,295--5,475			8	4,200--5,100	7	4,525--5,335

* CM - Career Minister

** CA - Prepared new class of Career Ambassador

[illegible]

CONVERSION PLANS AND ESTIMATES OF COST

Foreign Service 10-Class Proposal

Executive Pay Bill

CLASSES	Total Number of Employees	Present Salary Rate and Step	Proposed Rate and Step	Salary Adjustment	Estimated Cost	Proposed Rate and Step	Salary Adjustment	Estimated Cost	Excess Foreign Service Plan over Executive Pay Bill

FSO - FSR-2

FSO-3

FSO-3

89	19	\$ 9,815(1)	\$11,000(1)	\$1,185	\$ 92,880	\$11,000(1)	\$1,185	\$ 92,880	-
16	5	10,140(2)	11,000(1)	860	11,340	11,000(1)	540	11,340	-
96	5	10,460(3)	11,000(1)	540	21,715	11,000(1)	215	21,715	-
80	6	10,785(4)	11,300(2)	195	16,770	11,300(2)	195	16,770	-
28	8	11,105(5)	11,600(3)	170	6,120	11,600(3)	170	6,120	-
34	2	11,430(6)	11,900(4)	150	5,400	11,900(4)	150	5,400	-
17	2	11,750(7)	11,900(4)	40	1,280	11,900(4)	40	1,280	-
<u>13</u>	<u>2</u>	<u>11,860(8)</u>							
<u>373</u>	<u>47</u>	<u>420</u>			<u>\$ 155,505</u>			<u>\$ 155,505</u>	

FSO - FSR-4

FSO-3

159	32	7,490(1)	7,600(1)	110	7,640				\$ 7,640
55	9	7,810(2)	7,850(2)	40	13,760				13,760
99	7	8,135(3)	8,350(4)	215	15,370				15,370
75	5	8,455(4)	8,600(5)	145	5,600				5,600
26	3	8,780(5)	8,850(6)	70					
24	10	9,100(6)	9,100(7)						
<u>45</u>	<u>5</u>	<u>9,425(7)</u>							
<u>11</u>	<u>6</u>	<u>9,530(8)</u>							
<u>494</u>	<u>77</u>	<u>571</u>			<u>\$ 42,370</u>				<u>\$ 42,370</u>

Executive Pay Bill

[illegible]